

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1136.
FILED, JUNE 25th. 1964.

MILL CITY PETROLEUMS LIMITED

Full corporate name of Company
Incorporated under the Dominion Companies Act by Letters Patent
August 7, 1929

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 983.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	By an agreement dated as of September 30, 1963 between Mill City Petroleum Limited, Roycan Petroleum Inc., and Royal Canadian Ventures Ltd., Mill City purchased all of the assets of Roycan, more particularly described in the said agreement for the sum of \$132,677.11. Roycan Petroleum Inc. is a wholly owned subsidiary of Royal Canadian Ventures Ltd.
2. Head office address and any other office address.	210 Fina Building, 736 - 8th Avenue South West, Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	ROGER D. PAUGH - President - Petroleum Accountant 24 Cardiff Place, Calgary, Alberta. FRANK BROWN - Vice-President - Oil Company Executive 16 Massey Place, Calgary, Alberta R. CLIVE BROWN - Secretary-Treasurer - Petroleum Engineer 24 Massey Place, Calgary, Alberta A. P. NEWALL Jr. - Director - Oil Company Executive 7607 - 7th Street S.W., Calgary, Alberta A. P. NEWALL Sr. - Director - Stock Broker 702 - Centre A Street N., Calgary, Alberta
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized capital - 6,000,000 shares without par value Issued and outstanding capital - 5,425,334 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Certain of the Company's producing properties have been hypothecated to the Royal Bank of Canada as security for a proposed production loan under Section 82 of the Bank Act; however as yet no loan has been requested by the Company.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By an Employees' Stock Option Agreement dated March 18, 1964, options were granted to four employees on a total of 270,000 shares as to 1/4 each. 54,000 shares are exercisable at 15¢ per share on or after March 18 in each of the years 1964, 1965, 1966, 1967 and 1968. The options may, at the discretion of the employees, be exercised cumulatively, but in any event, they shall expire on March 19, 1969. The options are not assignable.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company plans to drill one or more additional development wells offsetting its presently producing Chancellor, Alberta properties. The Company also plans to continue its geological evaluation of its own large holdings of Petroleum and Natural Gas rights in the Province of Alberta, and also to evaluate and if warranted, to drill certain attractive looking wildcat prospects also in the Province of Alberta. The Company is also participating in an extensive seismic survey of the Arctic Island lands in the vicinity of the Bathurst Island well which was drilled and abandoned during the past winter, and in which the Company participated.
10. Brief statement of company's chief development work during past year.	During the past year, the Company participated in the drilling of three wells; one in the Chancellor area of Alberta which was abandoned but which proved up additional natural gas reserves; one in the Peigan Creek area of Alberta, which was abandoned; and one on Bathurst Island in the Northwest Territories of Canada which was also abandoned, but which provided a great deal of much needed geological and other technical information about the area.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	None
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	None
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Dynamic Petroleum Products Ltd., 210 Fina Building, 736-8th Avenue S.W., Calgary - Alberta - 1,183,984 shares Royal Canadian Ventures Ltd., 210 Fina Building, 736-8th Avenue S.W., Calgary, Alberta - 1,143,854 shares Jas. Richardson & Sons, 173 Portage Ave., Winnipeg, Manitoba - 287,062 shares Doherty, Roadhouse & Company, 335 Bay St., Toronto, Ontario - Hugh McKay & Co., Toronto - 49,601 shares (102,817 shares) Not aware of beneficial ownership of shares held by last three.

FINANCIAL STATEMENTS

MILL CITY PETROLEUMS LIMITED
CALGARY, ALBERTA

Balance Sheet as at April 30, 1964

ASSETS

<u>Current</u>	<u>LIABILITIES</u>
Cash in bank	\$ 65,086.01
Accounts receivable	95,243.13
Accrued interest receivable	11,175.00
Inventory of oilwell materials - at cost	11,971.24
Short term investments	62,500.00
Deposits - Government of the Province of Alberta	\$ 77,500.00
Cash	\$ 77,500.00
Government of Canada bonds (market value \$52,469) at cost	60,637.50
Government of Canada bonds (market value \$191,663) at cost	182,300.00
Other - cash	425.00
	<u>320,862.50</u>
Investments - at cost Shares of other companies (market value \$148,920)	195,760.20
	<u>195,760.20</u>

<u>Current</u>	<u>Bank loan - secured</u>
Accounts payable	\$ 110,691.55

CAPITAL AND DEFICIT

<u>Capital</u>	<u>Authorized</u>
6,000,000 shares without nominal or par value not to exceed in the aggregate on issue \$6,000,000.00	6,000,000
<u>Issued</u>	<u>5,425,334 shares</u>
<u>Deficit</u>	<u>\$345,616.20</u>

<u>Deficit</u>	<u>Balance January 1, 1964</u>
Deduct - net profit for the four months ended April 30, 1964	\$345,616.20
<u>265,684.78</u>	<u>79,931.42</u>
	<u>1,952,434.45</u>

<u>Property, Plant and Equipment - at cost</u>	<u>Approved on Behalf of the Board</u>
Petroleum and natural gas interests	845,056.79
Less - accumulated depletion	504,600.99
Well development costs	1,593,997.39
Less - accumulated amortization	830,460.27
Production equipment	763,537.12
Less - accumulated depreciation	427,199.15
Office equipment	329,589.39
Less - accumulated depreciation	23,824.36
Tenant's improvements	12,006.57
Automotive equipment	4,920.00
	<u>40,750.93</u>
Less - accumulated depreciation	8,717.96
Land	<u>8,032.97</u>
	<u>69.12</u>
	<u>1,300,627.92</u>

<u>Current</u>	<u>Bank loan - secured</u>
Accounts payable	\$ 110,691.55

Foster Slough Director
J. C. Brown Director

\$2,063,226.00

MILL CITY PETROLEUMS LIMITED
CALGARY, ALBERTA

Statement of Revenue and Expenses
For the Four Months Ended April 30, 1964

Revenue

Crude oil sales, less royalties	\$ 99,111.57	
Natural gas sales	43,143.05	
Condensate and other by-products	4,970.97	
	147,225.59	
Less - production and processing costs	<u>36,021.88</u>	\$111,203.71
Royalty revenue		645.62
Interest earned		7,020.75
Dividends from Canadian corporations		140.75
Sale of petroleum and natural gas interests		261,498.60
Gain on sale of securities		<u>13,332.28</u>
		393,841.71

Expenses - per schedule

Administrative, less recoveries	21,566.98	
Technical	18,394.73	
Petroleum and natural gas interests	<u>29,314.51</u>	<u>69,276.22</u>

Net Profit Before Depletion, Amortization,

<u>Depreciation and Write-off of Abandoned Properties</u>		324,565.49
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Provision For:

Depletion of petroleum and natural gas interests	6,300.00	
Amortization of well development costs	28,636.56	
Depreciation of equipment	<u>12,963.10</u>	<u>47,899.66</u>

Abandonments

Well development		10,981.05
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Net Profit

		<u>\$265,684.78</u>
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MILL CITY PETROLEUMS LIMITED
CALGARY, ALBERTA

Schedule of Expenses
For the Four Months Ended April 30, 1964

Administrative (Before charges to operations and associated companies as shown below)

Auto expense	\$ 277.45	
Advertising and publicity	22.00	
Business promotion	264.67	
Donations	90.00	
Electricity	150.00	
Filing and listing fees	223.20	
Group insurance	308.35	
Interest and exchange	381.42	
Janitor service	500.00	
Maintenance and repairs	96.80	
Memberships	283.00	
Miscellaneous	304.43	
Pension plan	2,508.27	
Postage and express	121.60	
Printing and stationery	1,092.29	
Rent	4,640.00	
Salaries	27,269.55	
Telephone and telegraph	529.88	
Transfer Agents' fees and expenses	608.80	
Travel	1,347.94	
Unemployment insurance	80.26	
Workmen's compensation	<u>36.14</u>	
	41,136.05	

Administrative expenses charged to

<u>operations and associated companies</u>	<u>19,569.07</u>	<u>\$21,566.98</u>
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Technical

Geological reports and expense	16,560.19	
Maps	486.02	
Technical publications and subscriptions	<u>1,348.52</u>	<u>\$18,394.73</u>

Petroleum and Natural Gas Interests

Rentals	17,831.52	
Filing and transfer fees	3,360.00	
Exploration costs	<u>8,122.99</u>	<u>\$29,314.51</u>

MILL CITY PETROLEUMS LIMITED
CALGARY, ALBERTA

Statement of Source and Application of Funds
For the Four Months Ended April 30, 1964

Source of Funds

Net proceeds from production after providing for royalties and operating costs	\$111,203.71
Royalty revenue	645.62
Interest earned	7,020.75
Dividends from Canadian corporations	140.75
Sale of petroleum and natural gas interests	261,498.60
Sale of investments	<u>17,083.32</u>
	\$397,592.75

Application of Funds

Petroleum and natural gas interests	1,950.33
Well development costs	11,083.39
Production equipment	2,028.36
Office equipment	1,612.00
Tenant's improvements	444.84
Automotive equipment	4,920.00
200,000 shares of Dynamic Petroleum Products Ltd.	60,000.00
Administrative expense, less recoveries	21,566.98
Technical expense	18,394.73
Petroleum and natural gas interests expense	<u>29,314.51</u>
	151,315.14
<u>Net Increase in Working Capital</u>	<u>\$246,277.61</u>

Approved on Behalf of the Board

Roger D. Laugh Director
R.C. Brown Director

List of Assets of Roycan Petroleum Inc.
Being Acquired by Mill City Petroleum Ltd.

1. Accounts Receivable:

Shell Oil Co. of Canada Ltd.	\$ 1,161.71
Union Oil Company of Canada Ltd.	<u>52.59</u>
	\$ 1,214.30

**2. Perpetual advance to Unit Operator of
Innisfail Unit**

65.00

3. Office Furniture and Equipment:

1 #1807L Steel Case File	\$ 65.00
1 #10 ADX Merchant Calculator	500.00
1 Tan Mahog. Swivel Arm Chair	125.00
2 Walnut Book Cases	70.00
1 60 X 34 Leopold Desk & Unit	200.00
1 50 X 30 Square top Desk & Unit	175.00
1 Bronze Desk Lamp, Desk Pad, Ash Tray	25.00
1 #5400-L Wal. 4 Dr. File Cabinet	85.00
1 Hat and Coat Rack	20.00
2 #2297 Wal. Armchairs	165.00
1 Walnut Steno Chair	35.00
1 Remington Rand Calculator	325.00
1 Desk Lamp	15.00
2 Armchairs, Mahogany	150.00
1 Drafting Table and Lamp	125.00
1 Grey Steel Table	60.00
1 Linedex Desk stand w/10 frames	65.00
1 150 Remcraft Classifile Folders	80.00
1 Green Arm Tilter Chair	50.00
1 Green Armchair	30.00
1 60 X 34 Sunshine Steel Desk	<u>135.00</u>
	2,500.00

**4. An undivided .1595% interest in the surface rights
of land owned and used for the purposes of the
Innisfail Leduc Reef Unit**

45.60

**5. An undivided .1595% interest in the production equip-
ment owned and used for the purposes of the Innisfail
Leduc Reef Unit. Without limiting the generality of
the foregoing, this includes all tubing and wellhead
equipment, flow lines, tank batteries, gathering
system and plant and processing facilities being a
part of the Innisfail Leduc Reef Unit**

6,952.21

**6. An undivided 15% working interest in a Petroleum and
Natural Gas Lease in the East Half of the Northeast
Quarter of Section 17, Township 35, Range 1, West of
the Fifth Meridian, as more fully described in a
Memorandum of Agreement dated the 20th day of**

September A.D. 1957, between Dernick-Guyer Inc.,
(now known as Roycan Petroleum Inc.), The
Paddon Hughes Development Co. Ltd., Williamson
Drilling Co. Ltd., Cree Oil of Canada Ltd., and
National Trust Company Limited, which interest
is committed to the Innisfail Leduc Reef Unit
with a tract factor of .1595%

\$ 111,000.00

**7. A 1% net royalty interest in a Petroleum and
Natural Gas Lease in the South Half of Section
20, Township 35, Range 1, West of the Fifth
Meridian, as more fully described in an agree-
ment dated the 24th day of January A.D. 1958
between Cree Oil of Canada Limited, Williamson
Drilling Co. Ltd., The Paddon Hughes Develop-
ment Co. Ltd., Dernick-Guyer Inc. (now known
as Roycan Petroleum Inc.) and National Trust
Company Limited, which interest is committed
to the Innisfail Leduc Reef Unit as Tract 1-20
and 7-20**

10,900.00

Total

\$ 132,677.11

EVALUATION REPORT

CABLE ADDRESS
SPROULE

J. C. SPROULE AND ASSOCIATES LTD.

J. C. SPROULE
O. D. BOGGS
M. B. CROCKFORD
R. deWIT
S. R. L. HARDING
J. B. MAUGHAN

GEOLOGICAL & ENGINEERING CONSULTANTS

1009 FOURTH AVENUE S.W.
CALGARY - ALBERTA
TELEPHONE 269-7951

C. A. S. BULMER
D. L. CAMPBELL
A. N. EDGINGTON
H. A. GORRELL
G. H. JONES
C. H. SMITH

April 8, 1964

Ref. 2.309

Mill City Petroleum Limited,
210 Fina Building,
Calgary, Alberta.

Re: Roycan Petroleum Inc.

Dear Sirs:

During the latter part of 1963 and at the request of Royal Canadian Ventures Ltd. we made an evaluation, as of June 30, 1963, of certain oil and gas reserves in the Innisfail field identified as follows:

1. A 0.1595 percent working interest in the Innisfail D-3 unit subject to a 12.5 percent royalty
2. A 0.0166 percent net royalty interest in the Innisfail D-3 unit

Our estimate of the reserves and our evaluation of the above interests were as follows:

	Net Reserves	Present Worth at 6%
Oil	76,100 Bbls.	\$ 110,900
Gas	82 MMcf.	8,800
		\$ <u>119,700</u>

We have been advised by Mr. R. C. Brown of Mill City Petroleum Limited that the above properties are owned by Roycan Petroleum Inc. and that Roycan is a wholly owned subsidiary of Royal Canadian Ventures Ltd.

This letter has been prepared for the exclusive use of Mill City Petroleum Limited, and is not to be published or reproduced in any form without the written permission of J. C. Sproule and Associates Ltd. However, it is our understanding that the Toronto Stock Exchange may wish to publish these evaluation figures as part of a Mill City Petroleum Limited filing statement, in which case permission is hereby given the Toronto Stock Exchange to do so.

Yours very truly,

J. C. SPROULE AND ASSOCIATES LTD.

J. B. Maughan
J. B. Maughan, P. Eng.
Chief Petroleum Engineer.

JBM/sb

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	<p>Royal Canadian Ventures Ltd., 210 Fina Building, 736 - 8th Avenue S.W., Calgary, Alberta. Dynamic Petroleum Products Ltd., 210 Fina Building, 736 - 8th Avenue S.W., Calgary, Alberta.</p>															
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Cost</u></th> <th style="text-align: right;"><u>Market Value</u></th> </tr> </thead> <tbody> <tr> <td>3 Class B shares of Alberta Gas Trunk</td> <td style="text-align: right;">\$ 15.00</td> <td style="text-align: right;">\$ 15.00</td> </tr> <tr> <td>20,500 shares of Dynalta Oil & Gas Co. Ltd.</td> <td style="text-align: right;">5,125.00</td> <td style="text-align: right;">no quoted mkt. value</td> </tr> <tr> <td>500 shares of Sarcee Petroleums Ltd.</td> <td style="text-align: right;">618.20</td> <td style="text-align: right;">1,000.00</td> </tr> <tr> <td>800,000 shares of Dynamic Petroleum Products Ltd.</td> <td style="text-align: right;">190,000.00</td> <td style="text-align: right;">144,000.00</td> </tr> </tbody> </table>		<u>Cost</u>	<u>Market Value</u>	3 Class B shares of Alberta Gas Trunk	\$ 15.00	\$ 15.00	20,500 shares of Dynalta Oil & Gas Co. Ltd.	5,125.00	no quoted mkt. value	500 shares of Sarcee Petroleums Ltd.	618.20	1,000.00	800,000 shares of Dynamic Petroleum Products Ltd.	190,000.00	144,000.00
	<u>Cost</u>	<u>Market Value</u>														
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500 shares of Sarcee Petroleums Ltd.	618.20	1,000.00														
800,000 shares of Dynamic Petroleum Products Ltd.	190,000.00	144,000.00														
	<p>As disclosed in Filing Statement No. 983 dated October 15, 1963, the shares of Dynamic Petroleum Products Ltd. acquired or which may be acquired under the terms of the agreement dated September 16, 1963, will not be sold within a period of one year from October 17, 1963, and thereafter not without notice thereof being given and accepted for filing by the Toronto and Canadian Stock Exchanges.</p>															
18. Brief statement of any lawsuits pending or in process against company or its properties.	<p>Statement of Claim has been filed against the Company for \$2,400.00 by a former employee of the Company.</p>															
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	<p>None other than those required in normal exploration, development and producing operations.</p>															
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>None. No shares of the Company are in the course of primary distribution to the public.</p>															

CERTIFICATE OF THE COMPANY

DATED June 16, 1964

MILL CITY PETROLEUMS LIMITED

"R.D. Paugh"

CORPORATE

President SEAL

"R.C. Brown"

Secretary-Treasurer

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)